



Making people healthy & beautiful, naturally

Investor Presentation

May 2015





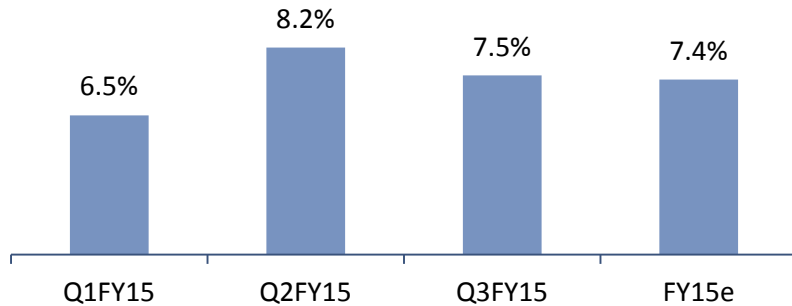
Some of the statements made in this presentation may look forward looking information that involves number of risks and uncertainties. Such statements are based on certain assumptions, estimates, projections or plans that are inherently subject to significant risks, uncertainties and contingencies that are subject to change. Actual results can differ materially from those anticipated in the Company's forward-looking statements as a result of a variety of factors, including those set forth from time to time in the Company's press releases and reports and those set forth from time to time in the Company's analyst calls and discussions. We do not assume any obligation to update the forward-looking statements contained in this presentation.

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All market shares stated are as per AC Nielsen MAT Mar'15. Conversion rate : 1 US\$ = ₹63.8 /-

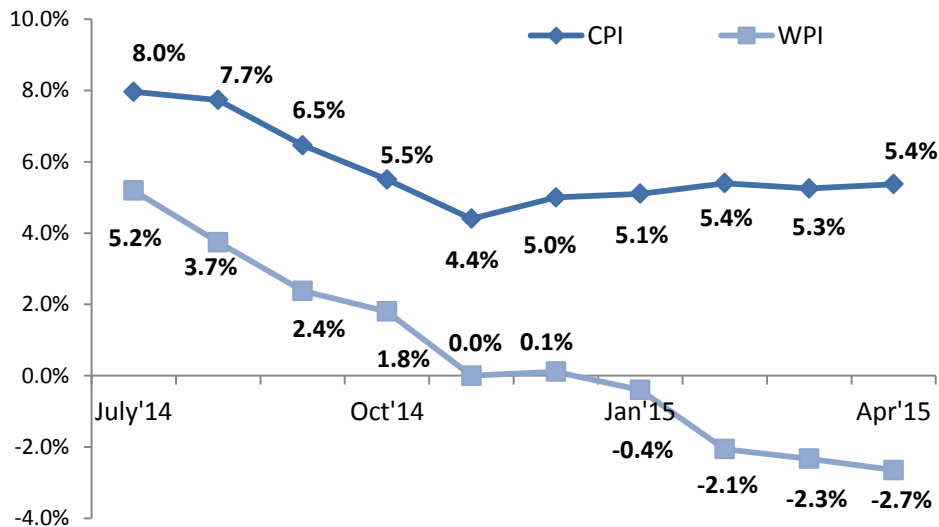
Economy Overview

GDP expected to grow at 7.4% in FY15.

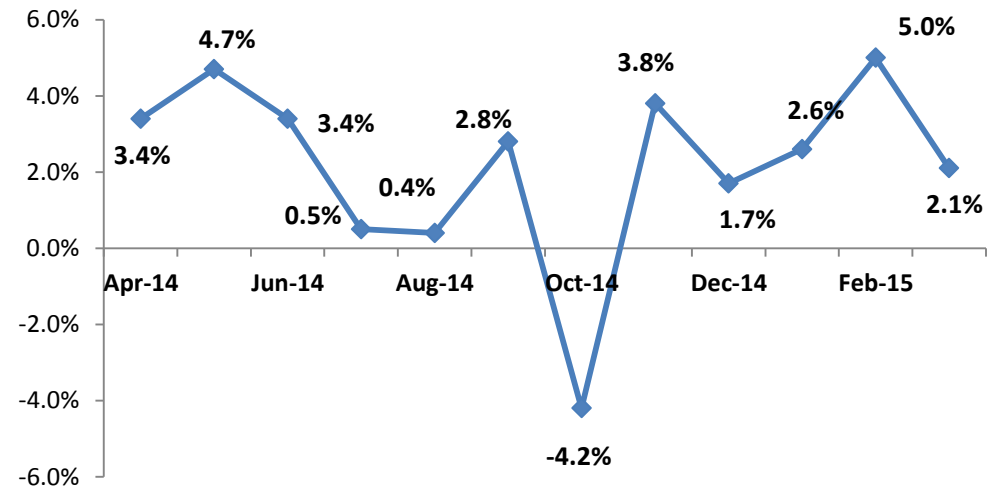


- GDP grew by 6.5%, 8.2% & 7.5% respectively in the Q1, Q2 & Q3FY15. **Economy expected to grow at 7.4% in FY15**
- Capital markets grew by ~25% in FY15 on account of stable government and strong positive sentiments.

WPI Inflation declines to negative 2.7%



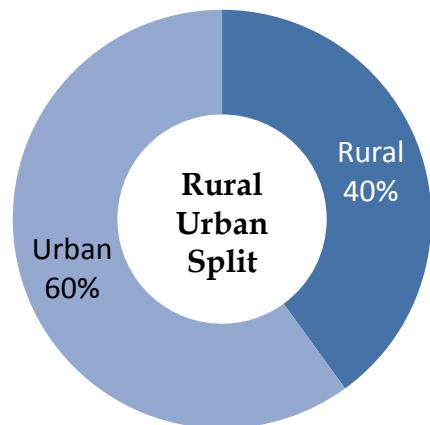
Industrial production (IIP) growth at 2.8% in FY15.



FMCG Sector...Key Growth Drivers

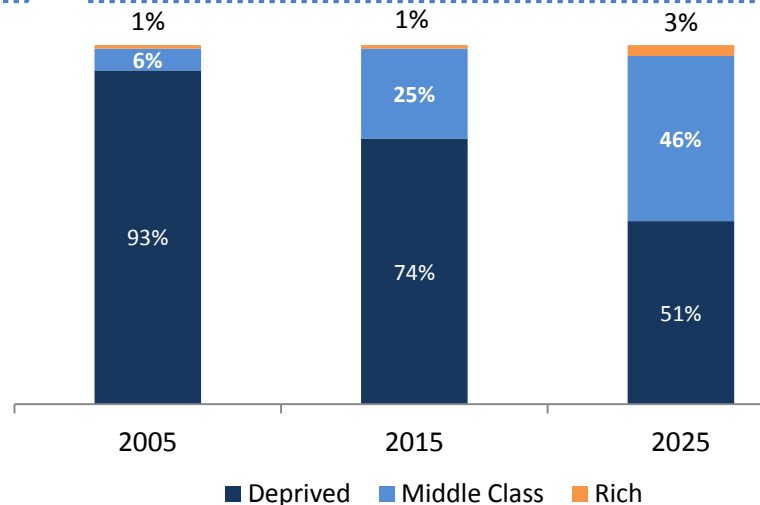


**Rural FMCG Market to grow @18% CAGR
To reach \$ 100 bn by 2025**



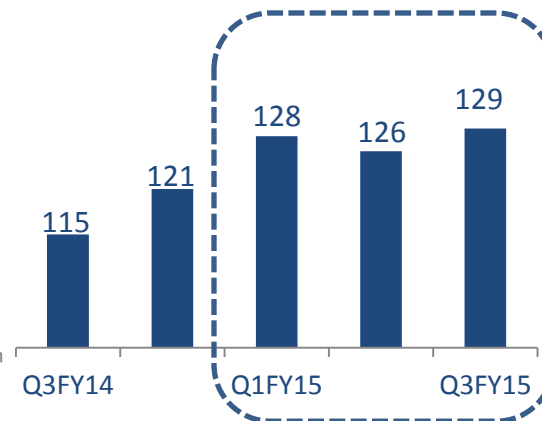
Source: IBEF, Dinodia Research

**Climbing up the ladder - Per Capita Income
to grow 5x in 2 decades to ₹ 2.7 lacs by 2030**



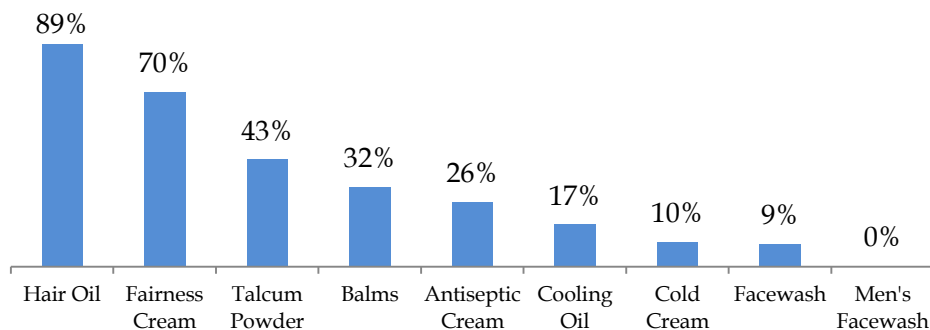
Source: Hitting the sweet Spot, EY, McKinsey Global Institute

**India leads the Nielsen's Consumer
Confidence Index for the 3rd
Consecutive Quarter**



Source: Nielsen

Low penetration indicates long term growth story...



Source: IMRB

Other Growth Drivers



Vast population of ~1.27 bn growing at ~1.58% p.a.



Modern Trade expected to increase its share to 30% in CY20E.



Leveraging the Indian Healthcare opportunity using ayurveda

Company Overview



Flagship company of the Emami Group and one of the leading & fastest growing personal and healthcare businesses in India.

Established in 1974, the Company was promoted by Mr. R.S. Agarwal and Mr. R.S. Goenka.

Category creator with a differentiated niche positioning thereby gaining market leadership.

Entered mainstream categories to reach out to a wider consumer base

Domestic Business and International Business growing at a 5 year CAGR of 16% and 18% respectively

With a reach in 63 countries, focus on key markets to grow International Business

Increased its Market capitalization by more than 4 times to ~ ₹230 bn in 5 years.

Keen on opportunities for acquisitions in India and in International focused Markets

Strong distribution network reaching out to 4 mn. retail outlets across the country.

Building best-in-class IT system coming up from a tactical IT capability blueprint.

Building capabilities by roping in best talents from the FMCG industry to catalyse growth.

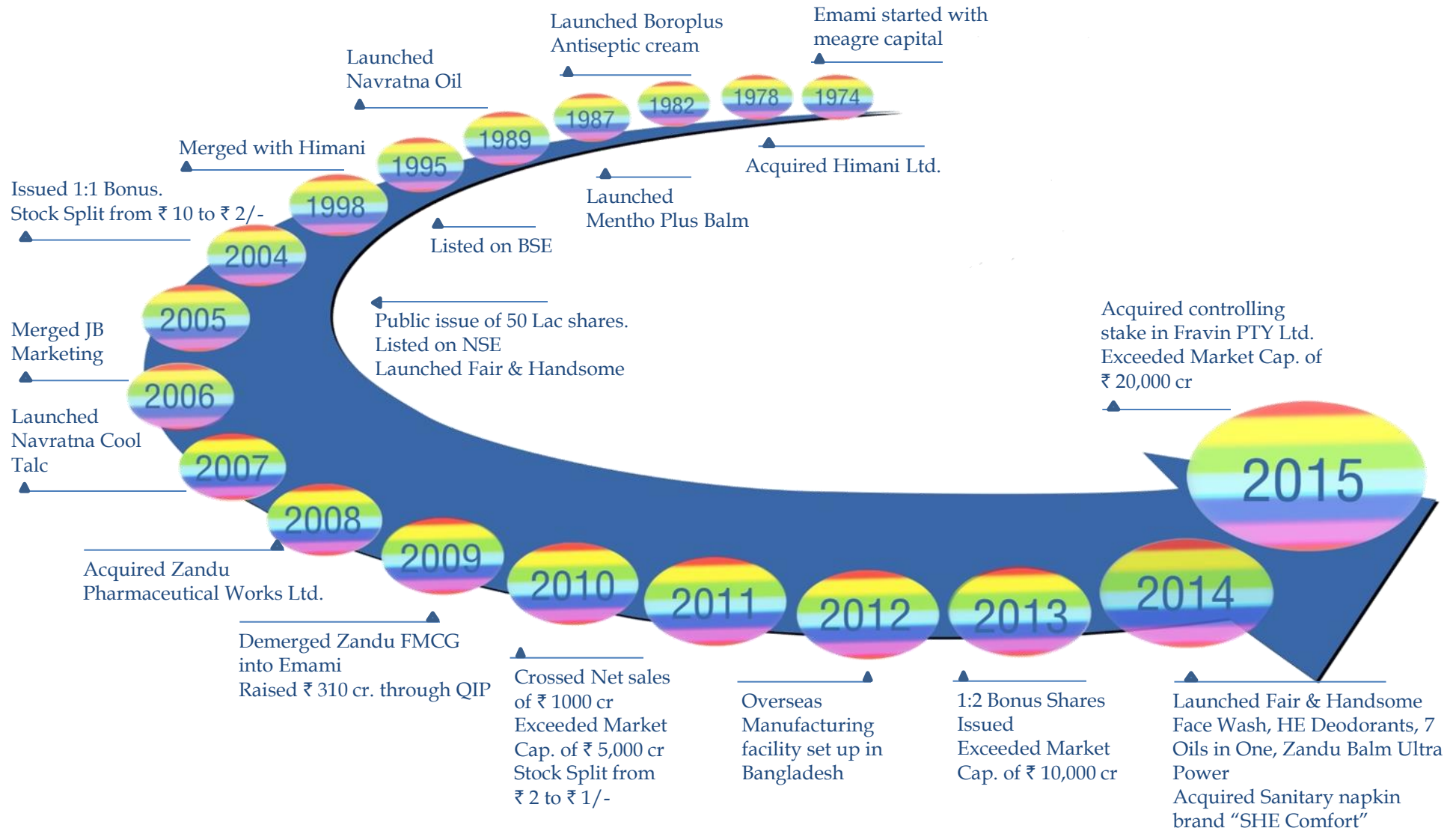
Appointed senior industry veterans as advisors.



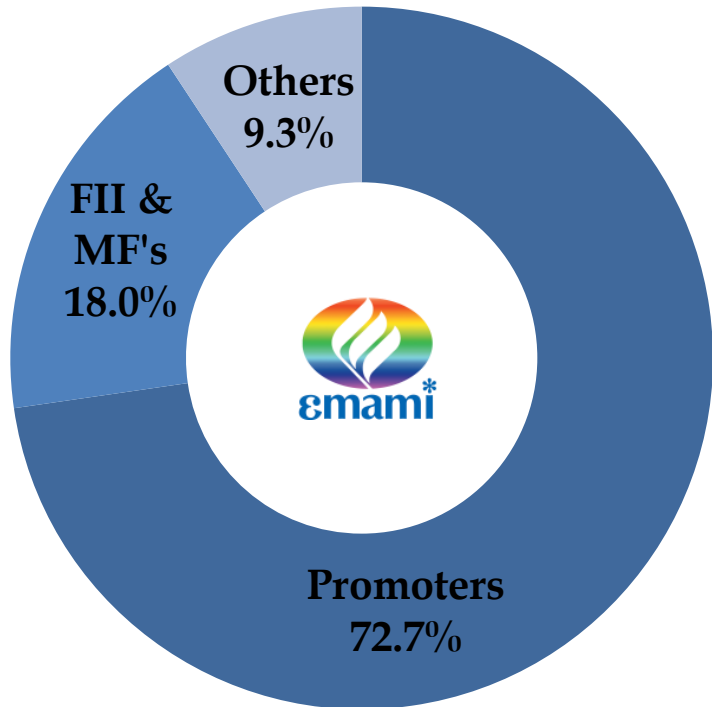
emami* limited

Making people healthy & beautiful, naturally

The Journey

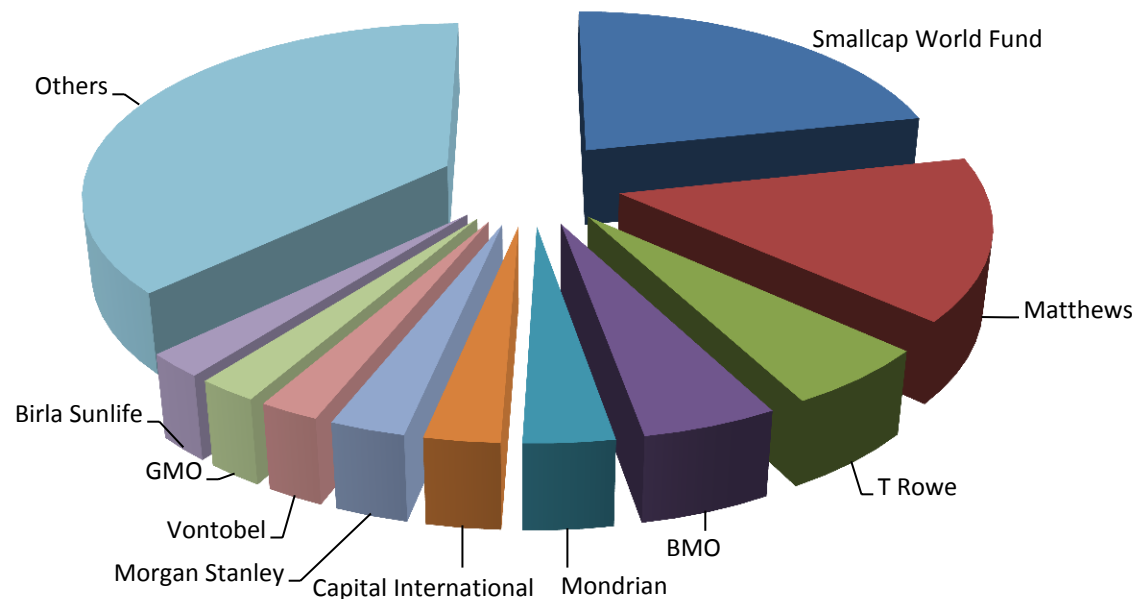


Shareholding Pattern...as on 31.03.2015



- Listed on the NSE, BSE and Kolkata stock exchanges
- Market capitalization of over ₹ 220 bn (US\$ 3.4 bn)

Major Institutional Investors



- ~40x returns to investors following the public issue in March 2005
- ~10x returns to investors following the QIP in July 2009

Board of Directors



S.N.	Promoter Directors	S.N.	Independent Directors
1	Sri R. S. Agarwal	9	Sri K. N. Memani , <i>ex-Country Head of E&Y, India</i>
2	Sri R. S. Goenka	10	Sri Y. P. Trivedi , <i>eminent tax expert & advocate, Rajya Sabha member</i>
3	Sri S. K. Goenka	11	Sri P. K. Khaitan , <i>Advocate & Sr. Partner of Khaitan & Co.</i>
4	Sri Mohan Goenka	12	Sri Amit Kiran Deb , <i>ex-Chief Secretary, Govt. of West Bengal</i>
5	Sri A. V. Agarwal	13	Sri S. B. Ganguly , <i>Professional</i>
6	Sri H. V. Agarwal	14	Vaidya Suresh Chaturvedi , <i>Ayurvedacharya, Padmashree</i>
7	Smt. Priti A Sureka	15	Sri Sajjan Bhajanka , <i>Industrialist</i>
8	Sri P. Goenka	16	Sri M. D. Mallya , <i>Banker</i>



Consumer Care Division



Snapshot of Major Brands

Brands	Segment	Market Size	Market Size	Market Share (%)	
		(₹ in bn.)	(\$ in Mns)	2010	2015
Navratna Oil	Cooling oil	7.5 bn	118 mn	49%	65%
Boroplus Cream	Antiseptic Cream	4.4 bn	69 mn	74%	76%
Fair & Handsome	Men's Fairness Cream	3.8 bn	60 mn	60%	59%
Navratna Cool Talc	Cool Talc	4.4 bn	69 mn	13%	27%

Snapshot of New Launches

Source: AC Nielsen, MAT Mar'15

New Launches	Segment	Market Size	Market Size	Segment
		(₹ in bn.)	(\$ in Mns)	Growth
HE Deodorants	Deodorants	21.6 bn	340 mn	11%
SHE Comfort*	Female Hygiene	24.2 bn	380 mn	15%
Fair & Handsome Facewash	Men's Facewash	2.0 bn	31 mn	62%
7 Oils in One	Light Hair Oil	60.6 bn	950 mn	4%

Source: AC Nielsen, MAT Mar'15

*Acquired brand, MAT Dec'14

Navratna Oil

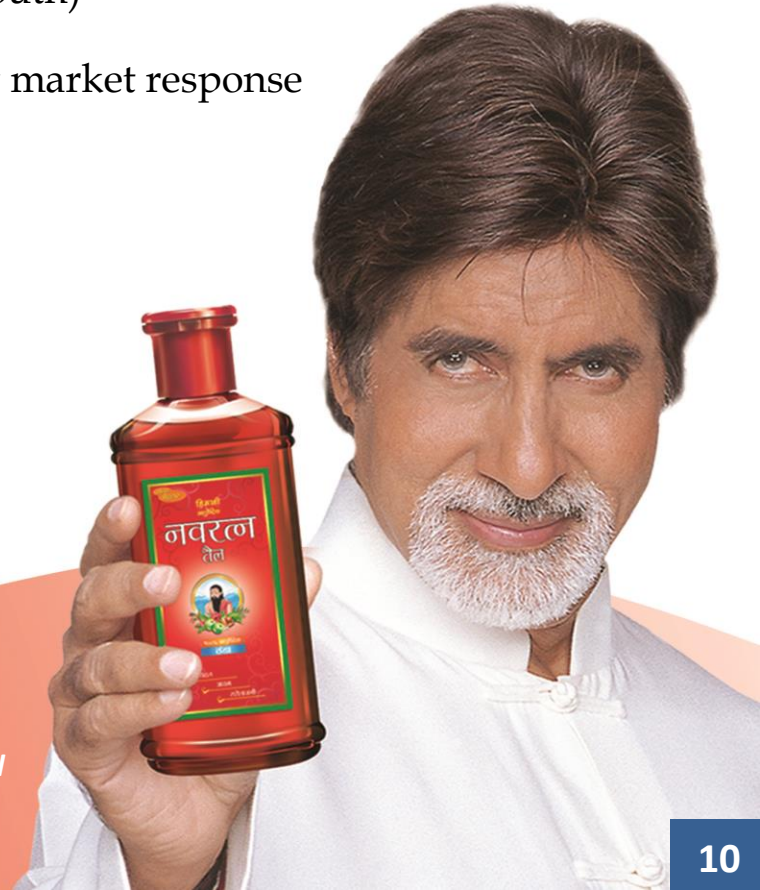


- Sales grew by **18%** in FY15
- Navratna Brand has been ranked **3rd among India's most trusted brands in hair oil category** by Brand Equity Survey, 2014
- Commissioned some of the most visible brand ambassadors (Amitabh Bachchan, Shahrukh Khan, and Mahesh Babu, Chiranjeevi and Upendra for South)
- Brand extension, Navratna Extra Thanda Oil receiving encouraging market response
- Growing at **CAGR of 17%** in last 5 years

Market Size	₹ 7.5 bn (\$ 118 mn)
Market Share	65%



An ayurvedic 'therapeutic cooling oil' providing physical and mental stress relief, protection and nourishment



Boroplus Antiseptic Cream



- Sales grew by **11%** in FY15
- Largest selling antiseptic cream not only in India but also in Ukraine, Russia and Nepal
- Boroplus Brand ranked **18th** among India's most trusted brands in Personal care category by Brand Equity Survey, 2014
- Growing at **CAGR of 11%** in last 5 years
- Relaunched BoroPlus Moisturising Lotion as **BoroPlus "Total Results" Moisturising Lotion** with an innovative packaging.

Market Size	₹ 4.4 bn (\$ 69 mn)
Market Share	76%



An ayurvedic antiseptic and protective cream ideal for harsh winter conditions and minor skin problems



Fair & Handsome



- Sales grew by **15%** in FY15
- Launched in October 2005; first fairness cream for men in India
- **Fair and Handsome** ranked **22nd** among India's most trusted brands in Personal care category by Brand Equity Survey, 2014
- Growing at **CAGR of 15%** in last 5 years

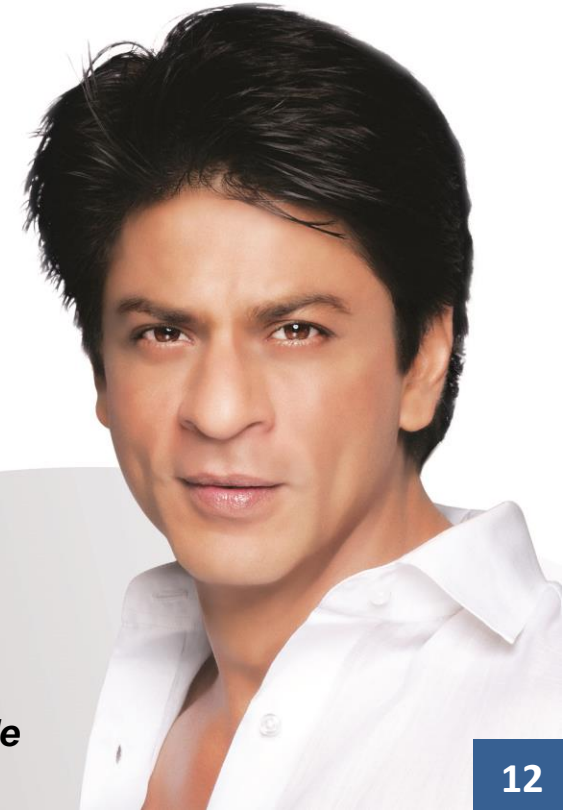
Market Size	₹ 3.8 bn (\$ 60 mn)
Market Share	59%

- Launched extension: **Fair & Handsome instant fairness facewash**

- Celebrity on board- Brand endorsed by Bollywood superstar Hrithik Roshan
- Achieved **12.2%** Volume Market share in the competitive Men's Face Wash Category within a year of launch.



Five power formula contains double-strength peptide complex (patented in US) for tougher male skin



Navratna Cool Talc



- Sales grew by **32%** in FY15
- An innovative launch in the talcum powder category; **with cooling properties.**
- Introduced **attractive “twisted pack”**
- **Launched new Variant “Orangy Blast”** - Shruti Haasan joins the Navratna Cool Talc endorsers’ club along with Shah Rukh Khan.
- **CAGR of 35%** over last 5 years.

Market Size	₹ 4.4 bn (\$ 69 mn)
Market Share	27%



Brings the much-required cool & icy sensation in the scorching summers



Health Care Division



Indian Healthcare Opportunity

Rise in chronic health issue due to unhealthy lifestyle

Growing consciousness that health needs to be actively managed & diseases need to be prevented

Increase in per-capita spends on healthcare. Higher income & willingness to spend on health

Consumer perception that allopathic medicines are harmful when used for extended period of time

Ayurveda has effective solutions for day to day chronic health problems & has no side effects

- **Leveraging the India Health Opportunity:**
 - Key health need areas identified
 - Robust innovation funnel with breakthrough products in place
 - Launch plan starting FY16 under Zandu brand

Major brands :



Zandu Balm &
Zandu Balm Ultra Power

Mentho Plus
Balm

Zandu
Pancharishtha

Zandu
Vigorex

Sales grew by 25% in FY15 and growing by over 26% CAGR in last 5 years

Targeting to grow aggressively in the next 5 years

ZANDU 100 YEARS
Swasth jeevan ka vaada

Zandu Balm & Mentho Plus Balm



- Sales grew by **16%** in FY15
- Zandu, a dominant player in pain management category
- **Zandu Balm ranked 3rd among India's most trusted brands in OTC Personal care category by Brand Equity Survey, 2014**
- Launched extension **Zandu Balm Ultra Power** a strong formulation fortified with potent ayurvedic ingredients to cure pain
- **CAGR of 13% over last 5 years**

Market Size	₹ 7.4 bn (\$ 115 mn)
Market Share	61%



Relief from headaches, body aches and cold

New Launches



HE Deodorants



Category Size	₹ 21.6 bn (\$ 340 mn)
Growth Rate	11%



- Largest and fastest growing category in the male grooming segment as the level of penetration level is very low.
- Advantage for Emami over competitors, with brand endorsement by Bollywood superstar Hrithik Roshan
- No brand having a substantial leadership in the cluttered Deodorant segment

She Comfort



Category Size	₹ 24.2 bn (\$ 380mn) *
Growth Rate	15%



*MAT Dec'14

- Forayed in the feminine hygiene category with the acquisition of 'She Comfort'.
- Category to grow exponentially, with increasing awareness, affordable pricing and low penetrations levels of just 9%,
- It's 'rash free' positioning, highly appreciated by consumers and received good market response.

New Launches



**Fair & Handsome
Instant Fairness Face Wash**

Category Size	₹ 2.0 bn (\$ 31 mn)
Growth Rate	62%

- Launched to leverage the strong brand imagery of the Fair & Handsome brand
- Focus on the males in the age group of 15-35 years who want to look good with an instant fairer look with additional benefits like sweat control etc.
- Brand endorsement by Bollywood superstar Hrithik Roshan



**Zandu Balm
Ultra Power**

Category Size	₹ 7.4 bn (\$113 mn)
Growth Rate	7%

- A safe & effective remedy for severe pain and aches.
- Provides fast and long lasting relief from Headache, Backache, Knee pain, Joint pain, Neck pain, Shoulder & muscle pains, Sprains, cold, Inflammation etc.

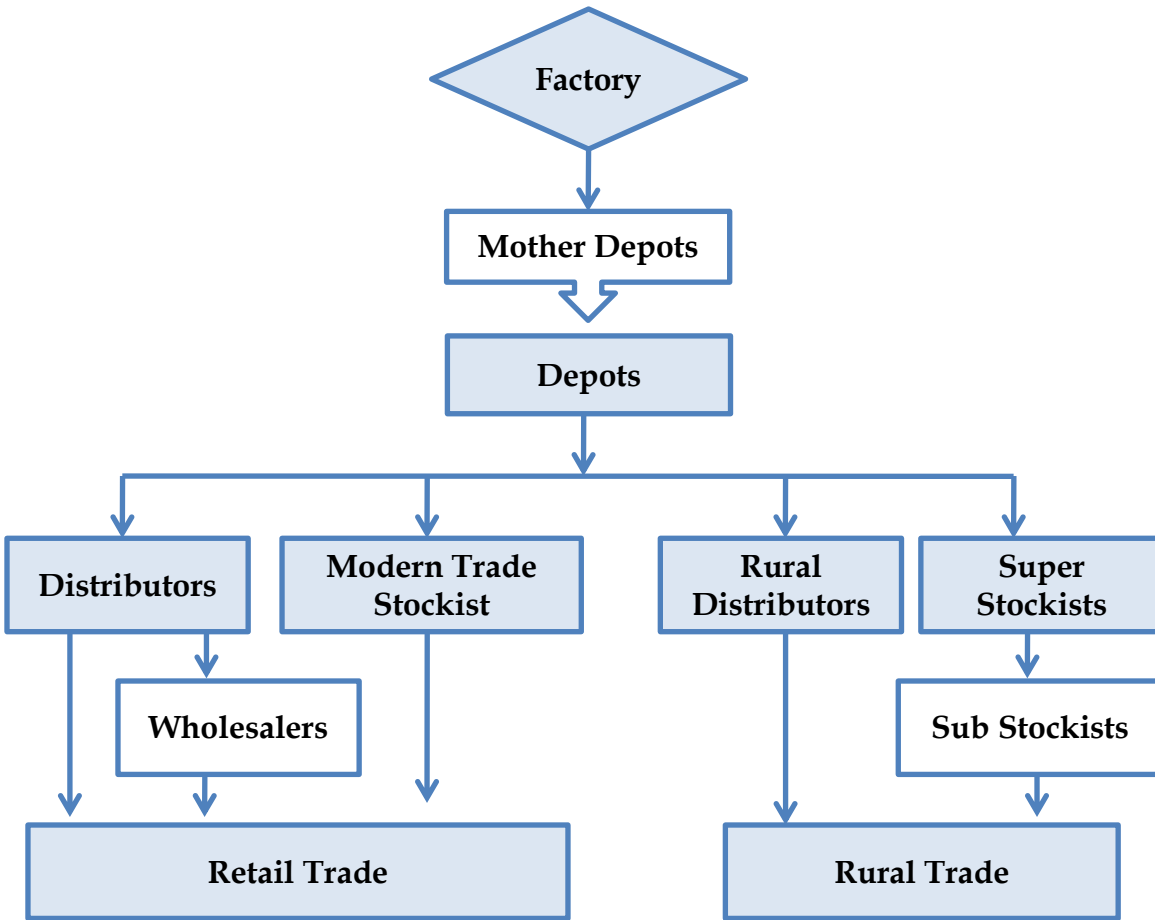


**Emami
7 Oils in One**

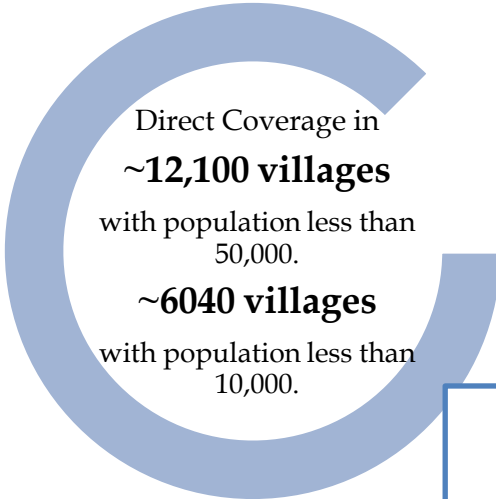
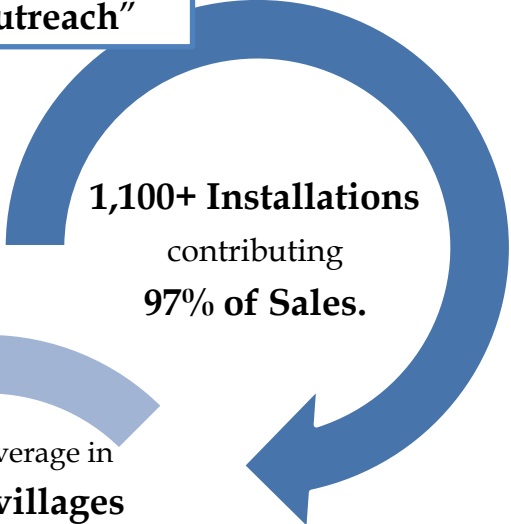
Category Size	₹ 60.6 bn (\$950 mn)
Growth Rate	4%

- Not just another “me too” Light hair oil
- Combination of 7 different types of oils - almond, coconut, Amla, argan, olive, walnut and jojoba to offer an expert formulation for damage repair and give superior nourishment
- Brand endorsement by youth celebrity Yami Gautam

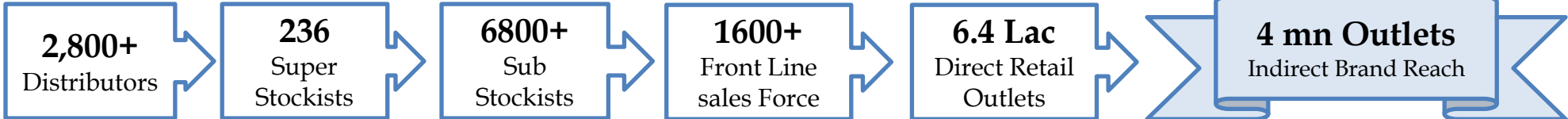
Domestic Distribution



Initiated Secondary Sales Automation Process- "Outreach"



Project Swadesh

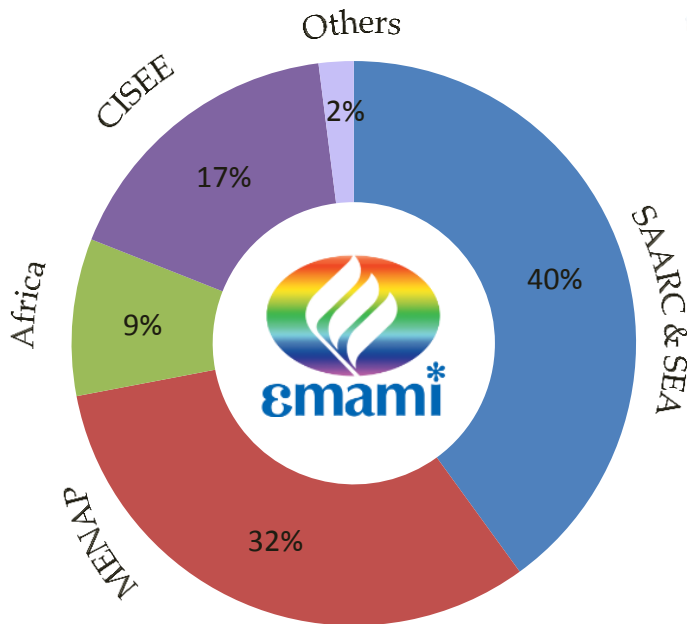


International Marketing Divison



- Sales grew by **44%** in FY15.
- Divided into four clusters, which are : Middle East, North Africa & Pakistan (MENAP), SAARC & South East Asia (SSEA), CIS and Eastern Europe (CISEE) and AFRICA
- Contributes around 14% of the total consolidated revenues.
- Poised to grow at over 25% for next 3-5 years.

Geographical breakup of IMD Sales



Presence in International Markets



International Marketing Divison



MENAP

- Growing aggressively at a 3 year CAGR of 50%
- Targeting Arab consumers along with Indian diaspora with relevant products and increased media spends.
- Increased marketing inputs with improved distribution.
- Evaluating local manufacturing at Egypt.

SSEA

- Growing robustly at a 3 year CAGR of 23%;
- Having its own manufacturing unit in Bangladesh.
- Introducing brand extensions & New launches

CISEE

- Launch of new products are on track to boost the sales. New product launch planned till 2016-17.
- Apart from Russia, increasing focus on Ukraine, Kazakhstan and Belarus.

AFRICA

- Huge potential and special focus given to grow the brands in the region, especially in Kenya, Uganda and Angola in existing markets.
- Distributors identified, registrations under process in Nigeria.

Leadership in International Markets

Himani
Navratna

Cooling Oil

#1 in Bangladesh, UAE & KSA

BORO PLUS

Antiseptic Cream

#1 in Russia

FAIR AND HANDSOME

Men's Fairness

#2 in Bangladesh, UAE & KSA

Acquisition



- Acquired 66.67% controlling stake in Fravin Pty Ltd., in Australia through Dubai subsidiary.
- Promoted by leading Trichologist and world master hairdresser Peter Francis, Fravin Group manufactures a full range of hair & skin care products that are certified organic by various International bodies in Australia & USA like ECOCERT, USDA & NSF demonstrating superior quality and adherence of best manufacturing practices.
- Has its R&D and manufacturing facility in Adelaide, Australia and has major strength in R&D of various advanced technologies like Trans follicular Anti-Ageing serums.
- The Group also manufactures a range of organic personal care products under the 'eco.kid' brand especially developed & formulated for children.
- The Company's leading brand; "Abache Organics" was awarded the 1st place in the "Green Formulations" category at the "Sustainable Beauty Awards 2014" held in Paris.
- The acquisition marks Emami's entry into organic personal care products segment which is growing at a rapid pace across the world.



colour.pro
certified organic colour tools



 **PHYTO-STEM**
Anti-aging Stem Cell Skin Care



milkwood



 **ABACHE**
Hair | Skin | Body



Celebrity Endorsements



Research & Development



- Focus: Product innovation, product differentiation, cost control and maintaining excellent product quality
- Team comprises qualified Ayurvedacharyas and specialized Ayurveda scientists; advisory panel comprising top Ayurvedic experts
- A modern fully equipped laboratory with cGMP practices
- Set up a 30,000 sq. ft. State-of-the-art ultra modern R&D centre in Kolkata
- Also set up a Market intelligence and innovation centre in Kolkata



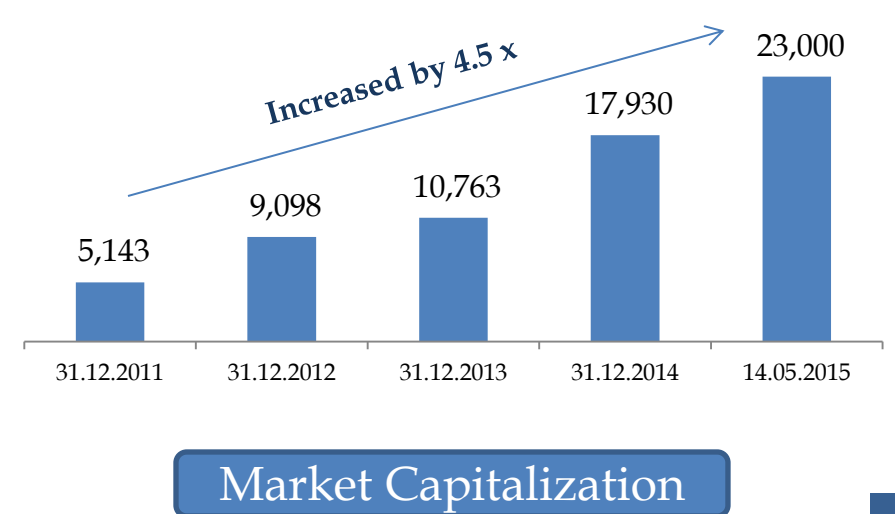
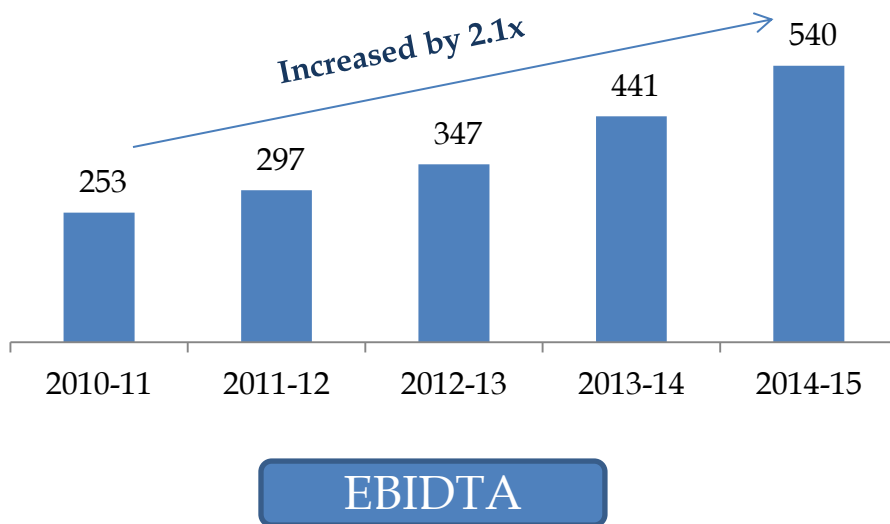
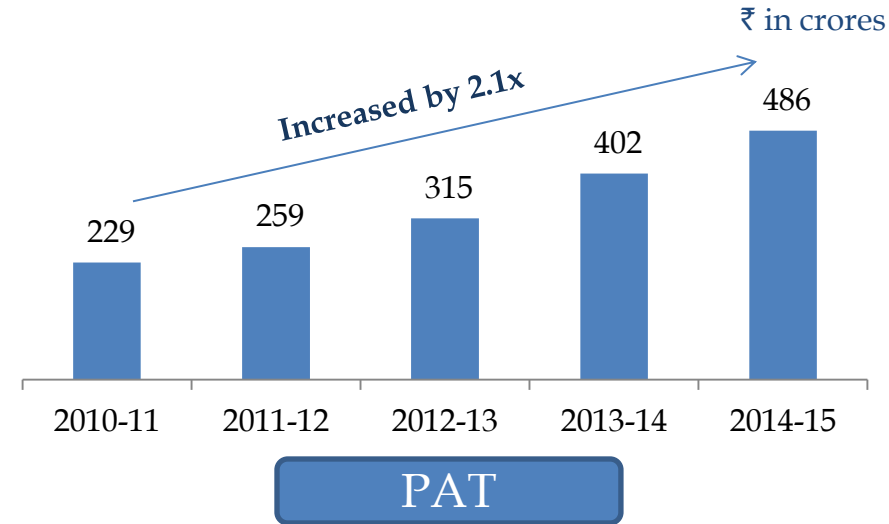
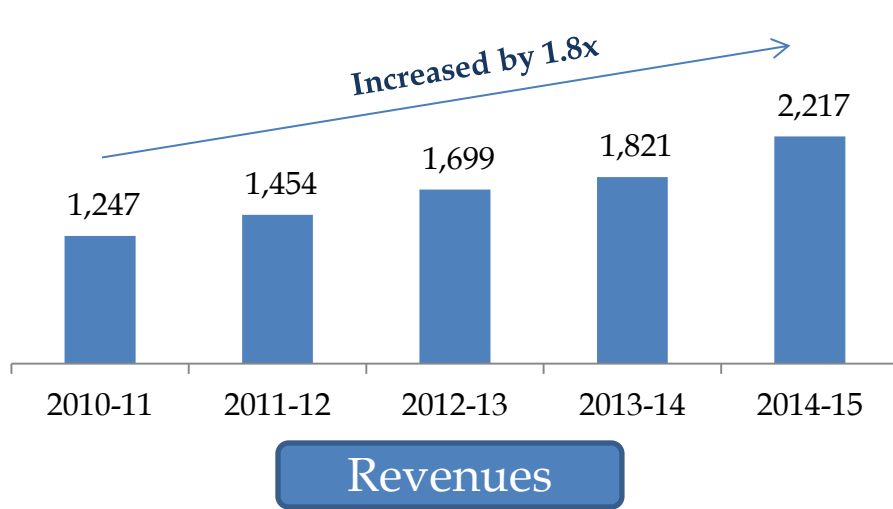
Operations



- 7 manufacturing facilities; 2 in Guwahati and 1 in Pantnagar, Uttarakhand enjoying fiscal benefits
- Set up first overseas manufacturing facility at Bangladesh
- Most of the facilities are cGMP and ISO 9000 compliant
- Units follow highest standards of safety and environment protection
- Land acquired for putting up 3rd unit at North-east under mega project scheme and the unit is expected to commence operations in FY16



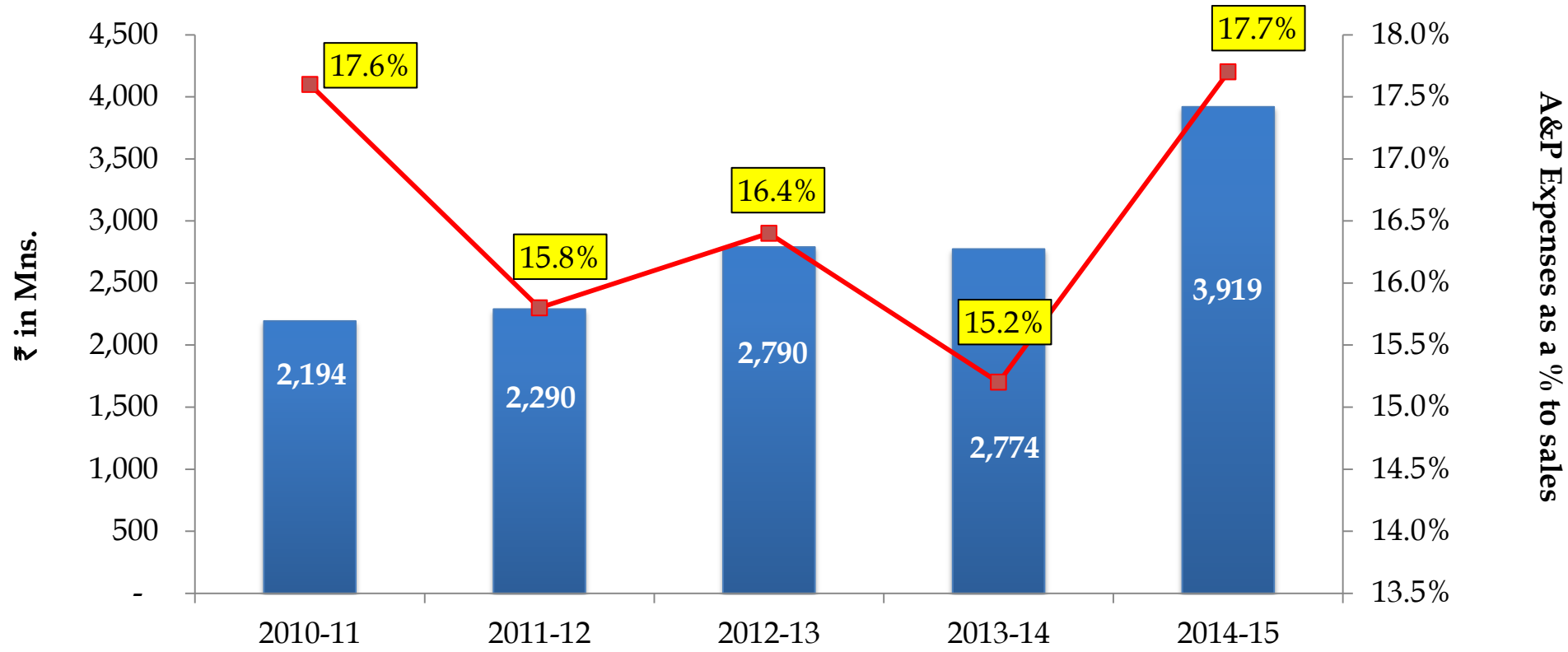
Growing Robustly



A&P Expenses

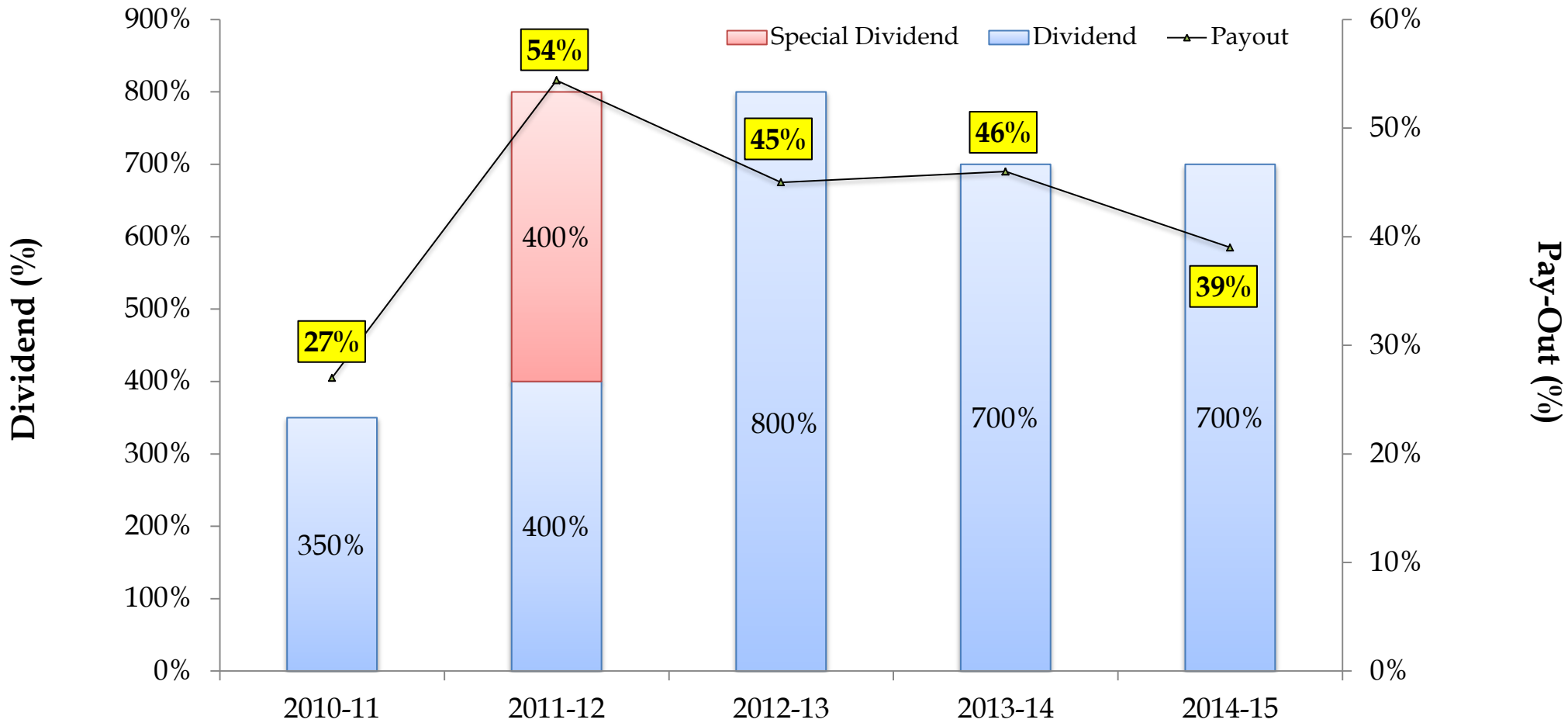


■ Rs. in Million ■ % to sales



Nearly ₹14 bn invested in A&P in last 5 years

Dividends



Summarized Balance Sheet



₹ in Mns

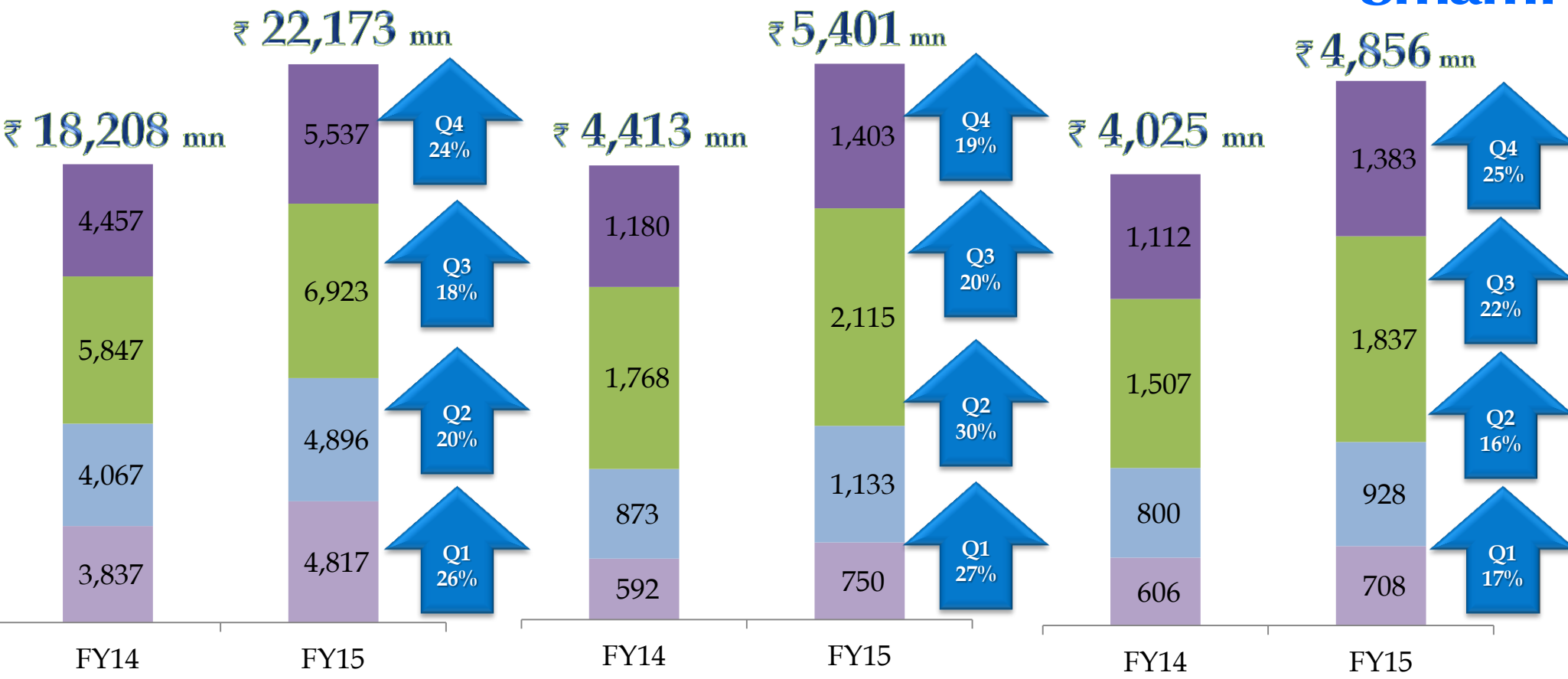
S.N.	LIABILITIES	As at 31.03.2015	As at 31.03.2014	S.N.	ASSETS	As at 31.03.2015	As at 31.03.2014
1	Shareholders Fund	12,306	9,321	1	Non-Current Assets	5,320	4,566
	a. Share Capital	227	227		Net Fixed Assets	4,776	4,078
	b. Reserves and Surplus	12,079	9,094		Goodwill On Consolidation	41	-
2	Minority Interest	46	-		Non-Current Investments	66	66
3	Non-Current Liabilities	546	512		Long-Term Loans and Advances	437	422
	Long-Term Borrowings	17	174		Other Non-Current Asset	-	-
	Deferred Tax Liabilities (Net)	121	48	2	Current Assets	11,444	8,457
	Other Long Term Liabilities	163	119		Current Investments	4,947	2,892
	Long-Term Provisions	245	171		Inventories	1,267	1,411
4	Current Liabilities	3,865	3,189		Trade Receivables	1,027	793
	Short-Term Borrowings	177	44		Cash and Cash Equivalents	3,541	2,700
	Trade Payables	1,932	1,430		Short-Term Loans and Advances	663	661
	Other Current Liabilities	639	505		Other Current Assets	-	-
	Short-Term Provisions	1,117	1,211				
	TOTAL	16,763	13,023		TOTAL	16,763	13,023

Key Highlights...FY15



- **Working Capital (holding period)**
 - **Average Inventory holding** decreased from 28 days to **21 days**
 - **Average collection period** increased from 16 days to **17 days**
 - **Average Payment Period** increased from 29 to **32 days**
 - **Average Advance period** decreased from 20 to **11 days**
 - **Net working Capital** improved from 29 days to **17 days**
- **Net Cash of over ₹ 8 bn.**
- **Current Ratio** improved from **2.7%** to **3.0%** signifying high level of liquidity
- **Ratings (by CRISIL & CARE)**
 - **AA+ ratings** for long/ short-term bank facilities and **A1+** for short-term debt by CARE signifying high levels of safety.
 - **AA+' ratings reaffirmed** to long/ short-term bank facilities and **highest rating of A1+' for** short-term debt by CARE signifying highest safety.

FY15 Performance



SALES

FY15 Growth
22%

EBIDTA

FY15 Growth
22%

PAT

FY15 Growth
21%

Awards & Accolades



Corporate

- **Emami among Asia's 'Best Under A Billion'** 2010 list of companies compiled by the Forbes magazine
- **Emami featured among the "Top 10 Companies as High Earners"** and ranked **120th among BT-500 Most Valuable Companies of India** in private Sector by Business Today
- **Emami ranked 112th in "Business India's Super 100 Companies"** ranking by Business India magazine.
- Emami Limited won the **ET Bengal Corporate Awards 2014** in the category of Best Financial Performance with turnover exceeding Rs.1000 cr.
- **Emami ranked 7th among the "Most Enduring Stocks" in the 19th Annual Wealth Creation Report of Motilal Oswal Securities Ltd.** Also ranked 31st among the "MOSL 100 Fastest Wealth Creators" and 71st among the "MOSL 100 Biggest Wealth Creators".
- Emami ranked at **22nd position** by Dalal Street Investment Journal's Top Super 50 list.
- **Rated (by CRISIL & CARE) A1+** for Short Term borrowings and **AA+** for Long Term borrowings signifying high levels of safety





Brands

- The **2015 Brand Trust Report, India**, of TRA (formerly Trust Research Advisory) comparing the 'trust' held in brands, ranks **Emami's brands as the most trusted in the Diversified FMCG category**
- **Zandu Balm ranked 58th and Boroplus ranked 85th among the Top 100 Brands in the Brand Equity Survey, 2014 across all categories**
 - **Zandu Balm ranked 3rd in the Personal Care (OTC) category,**
 - **Navrtana ranked 3rd in the Oil category,**
 - **Boroplus ranked 18th and**
 - **Fair & Handsome ranked 22nd in the Personal care category**
- **Emami Limited has made it to Inc. India Innovative 100 Awards, 2013 in the mid-size category**
- **Emami Limited was adjudged the winner in the Pitch Brands 50 Awards 2013- Globetrotters Category for Excellence in Marketing**

Operations

- BT Road unit received “Greentech Safety Award - 2014” in the Gold Category.
- Abhoypur unit accredited with ISO 14001:2004 and ISO 18001:2007 accreditation signifying compliance with Environment management system and Occupational health and safety management system
- Abhoypur unit received **GOLD Award for excellence in manufacturing** at the Economic Times India Manufacturing Excellence Awards in partnership with Frost & Sullivan.
- Awarded, **Arogya World’s - “Healthy Workplace Gold Award- 2014”**. (Manufacturing facilities which follow healthy, wellness practices at the workplace)
- **Internal Audit Division awarded ISO 9001:2008 accreditation**
- The **Enterprise Risk Management system is also ISO 31000 : 2009 certified**
- Received **WORLDSTAR 2013 International Award for excellence in packaging** for the following packs :
 - Himani Navratna Cool Talc in Twisted Pack
 - Bi-Colour Injection dibbi of Menthoplus Balm 1.1ml Pack
- **Asia Pacific Quality Organization awarded prestigious “Global Performance Excellence Award” to our Abhoypur unit**



Key Investment Highlights



- One of the fastest growing FMCG company
- Niche category player + innovator - in Therapeutic and Ayurvedic segment - strong entry barriers for the competition
- Key brands are strong market leaders in their respective categories
- Bigger basket of power brands and entry in new segments
- Over 80% of the business comes from Wellness categories.
- Focus on each Brand with patience and continuous investment.
- Superior gross margins in the industry - EBITDA margin before A&P at 42%
- Production from tax free zones

Thank you



Making people Healthy & Beautiful, Naturally

